

## PROJECTED NEW JOBS UNDER THE BRIDGE ACT TAX DEFERRAL FOR GROWING ENTREPRENEURIAL BUSINESSES, FISCAL YEARS 2002–2004

[Data in thousands of dollars, except as noted]—[Based on \$250,000 tax deferral limit and 10% business growth rate]

	2002	2003	2004 <sup>1</sup>
(1) Tax revenue effect (Joint Tax estimate) .....	(2,400,000)	(6,300,000)	(8,200,000)
(2) Assumed average business revenue per \$1 of capital <sup>2</sup> .....	\$3.36	\$3.36	\$3.36
(3) Projected increase in business revenue under Bridge .....	8,064,000	21,168,000	27,552,000
(4) Assumed business revenue per full-time employee <sup>2</sup> .....	88,515	88,515	88,515
(5) Projected new jobs from increase in business revenue (not 000s) <sup>3</sup> (rounded) .....	91,000	239,000	311,000

<sup>1</sup> Joint Tax revenue estimates of proposal, with Dec. 31, 2005 sunset (\$ billions): –6.0 (2005); +1.4 (2006); +6.9 (2007); +6.9 (2008); +5.2 (2009); +2.9 (2010); +0.8 (2011), for a net total of a positive (+) 1.1 for 2002–2011.<sup>2</sup> Average based on a sample database of financial statements of 72,682 profitable firms with revenues of \$10 million or less, as compiled by the Kauffman Center for Entrepreneurial Leadership (Kansas City, MO) (data compilation for the sample coordinated and confirmed by Dr. Michael Camp, Vice President of Research). Original data was collected by Dun & Bradstreet. Neither the Kauffman Center nor Dun & Bradstreet should be considered as endorsing any specific legislative proposal.<sup>3</sup> Projected, potential new jobs as a result of the additional capital provided to the firms under the Bridge Act tax deferral, calculated as follows: (1) × (2) = 3; (3)/(4) = 5.ECONOMIC EFFECTS OF THE  
SEPTEMBER 11 CATASTROPHE

The SPEAKER pro tempore (Mr. SCHROCK). Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, let me begin with a commentary on the comments from the gentlewoman from Georgia, who quoted French sources as criticizing as inadequate our relief supplies to the people of Afghanistan.

I agree we should do as much as we can to feed the people of Afghanistan and to get that food to them. And I admire the courage of American pilots who are doing just that, but let us put this into context.

During World War I and World War II, the French did very little to deliver food to the Germans. In fact, it really was not part of our strategy during World War II to drop food onto German cities; and in fact, the French, aspiring for their own freedom, cheered as we bombed Dresden, not with food but with bombs.

America has reached a new level of humanitarianism in its decision that not only does it wage war against a government, the Taliban, but it also wages food aid to the civilians under the control of that government. And I think that we should first give America credit for reaching this new plateau in humanitarianism before we criticize the fact that we are not doing enough, and I am sure that we will do more.

I rise chiefly to deal with the economic effects of the September 11 catastrophe. I urge that what we do be temporary, be fast, and be consistent with our Nation's long-term budgetary and fiscal needs. Keep in mind, that on September 10, before this disaster, we faced a tough budgetary situation, that next decade the baby boomers will be retiring and Social Security will have to pay out benefits, and in order to do that, we cannot abandon our long-term efforts of fiscal responsibility to deal with the short-term economic downturn.

We need to adopt fixes to stimulate the economy that are fast, like providing \$300 or \$600 of tax relief to those Americans of the most modest means who did not get any tax relief out of the bill we passed earlier this year. Why? Because those Americans will spend that money. They will buy things.

In contrast, we should not provide a capital gains cut because that is a cut

not for people who buy stock but for people who sell it. At this point, a capital gains tax cut could only be called the "Panic-Selling Facilitation Act" in that it provides tax relief not to those who can keep their investments in America but those who dump their stocks.

It is important that our relief be temporary so that we can demonstrate to investors around the world that we will return to fiscal responsibility and pay off the national debt at least by 2015 or 2016. Doing that is not only critical for being able to meet Social Security's commitments to the baby boomer generation, but also to bring long-term interest rates down because no one will lend money for 10- and 20- and 30-year terms.

Investors will not provide mortgages and long-term financing unless they are certain that long term the dollar will be valuable and will be stable because the Federal Government will return to the effort to pay down the national debt.

Our departure from fiscal responsibility must be temporary. If we institute permanent changes, we will be in trouble.

I might also add that, in building infrastructure, we should build the infrastructure that we need to provide for homeland security. We need to build security structures near our reservoirs and nuclear plants, and that is where we should focus our infrastructure building, as much as I would like to see us focus on the other needs of the country, the needs that existed before this event such as dealing with congestion on freeways in Los Angeles, the most congested city in our country.

We ought to be careful, Mr. Speaker, in adopting the fiscal policies that will guide this country through this difficult period. If we adopt major changes in our spending and taxation and get out of town by the end of October we will not have been careful. We will have simply rushed something through. We cannot get it done in October, and we cannot wait till February.

And so we in Congress ought to be willing to be here through the month of November to do what this country needs but to do it carefully.

NATIONAL PARK SYSTEM  
DEMONSTRATION FEES

The SPEAKER pro tempore (Mr. SCHROCK). Under a previous order of

the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

## CAPITAL GAINS

Mr. SOUDER. Mr. Speaker, first before I discuss what I intend to discuss here for a few minutes, a matter of importance, the National Park System, let me make a brief comment on capital gains.

Depending on when the effective date of the capital gains cut came in, it is unlikely that a whole lot of people in the stock market have capital gains. But we are also looking at real estate questions, at companies expanding. And the idea that somehow we will spend our way out of a recession, rather than grow our way out, is backwards. If we do not have real substantive incentives to get people back to work in all sectors of our economy, we are in deep trouble in this economy.

## DEMONSTRATION FEES

Mr. Speaker, I would like to talk about demonstration fees. This was supposedly a test to see whether it would relieve the financial pressures on our national parks. At some point, either this demonstration has worked or it has not. It is time to either make them permanent or remove them. In fact, we have had very few complaints, almost none at most parks. The fees range from \$10 to \$30 to enter the park, negligible compared to most entertainment in America. Fees for special services for those related costs, camping, back country expenses, are logical because the money goes directly to pay for those expenses.

These fee dollars have helped supplement the park's complete projects efforts. For example, 6 percent in 1999 of Yellowstone Park's revenue were from the demonstration fee. The less attended park, Theodore Roosevelt National Park in North Dakota, netted about \$300,000 a year for projects. In the year 2000 that included projects such as boundary fence repair, overlook trails, radio-collar elk monitoring, trailhead and interior trail signs throughout the park, new laser slide programs for a visitor center and an archeological exhibit at the Medora Visitor Center.

Fee uses are diverse, visitor service usage intensive with these fees and all, help fund unmet park needs. The long-range source problem is that Congress and/or the President keep adding additional units to the National Park Service. This has been especially true or